

(19) Revenue Information for Disclosable Interest Holder (DIH)

Purpose (Select One)

☐ Add

☐ Modify

☐ Delete

Disclosable Interest Holder

☐ Entity Name:

FCC Registration Number (FRN):

☐ Individual Name: First

MI

Last

Suffix

FCC Registration Number (FRN):

Financial Statement

☐ Disclosable Interest Holder used audited financial statements.

☐ Disclosable Interest Holder used unaudited statements prepared in accordance with Generally Accepted Accounting Principles (GAAP) and certified by Applicant's chief financial officer or the equivalent.

Gross Revenue Disclosure

Most Recent Reportable Year

☐ The DIH and any predecessors-in-interest were not in existence for a full year of the relevant period.

Year End Date: \_\_\_\_\_ (Date Format: MM/DD/YYYY)

Gross Revenues \$ \_\_\_\_\_ (Format: 99999.99)

One Year Prior to Most Recent Reportable Year

☐ The DIH and any predecessors-in-interest were not in existence for a full year of the relevant period.

Year End Date: \_\_\_\_\_ (Date Format: MM/DD/YYYY)

Gross Revenues \$ \_\_\_\_\_ (Format: 99999.99)

Two Years Prior Most Recent Reportable Year

☐ The DIH and any predecessors-in-interest were not in existence for a full year of the relevant period.

Year End Date: \_\_\_\_\_ (Date Format: MM/DD/YYYY)

Gross Revenues \$ \_\_\_\_\_ (Format: 99999.99)

Average Gross Revenues: \$ \_\_\_\_\_

Asset Disclosure

Total Assets as of Application Filing Deadline: \$ \_\_\_\_\_

FCC 601  
Schedule B

(20) Revenue Information for Affiliate

Purpose (Select One)

☐ Add

☐ Modify

☐ Delete

Affiliate

☐ Entity Name:

FCC Registration Number (FRN):

☐ Individual Name: First

MI

Last

Suffix

FCC Registration Number (FRN):

Financial Statement

☐ Affiliate used audited financial statements.

☐ Affiliate used unaudited statements prepared in accordance with Generally Accepted Accounting Principles (GAAP) and certified by Applicant's chief financial officer or the equivalent.

Gross Revenue Disclosure

Most Recent Reportable Year

☐ The Affiliate and any predecessors-in-interest were not in existence for a full year of the relevant period.

Year End Date: \_\_\_\_\_ (Date Format: MM/DD/YYYY)

Gross Revenues \$ \_\_\_\_\_ (Format: 99999.99)

One Year Prior to Most Recent Reportable Year

☐ The Affiliate and any predecessors-in-interest were not in existence for a full year of the relevant period.

Year End Date: \_\_\_\_\_ (Date Format: MM/DD/YYYY)

Gross Revenues \$ \_\_\_\_\_ (Format: 99999.99)

Two Years Prior Most Recent Reportable Year

☐ The Affiliate and any predecessors-in-interest were not in existence for a full year of the relevant period.

Year End Date: \_\_\_\_\_ (Date Format: MM/DD/YYYY)

Gross Revenues \$ \_\_\_\_\_ (Format: 99999.99)

Average Gross Revenues: \$ \_\_\_\_\_

Asset Disclosure

Total Assets as of Application Filing Deadline: \$ \_\_\_\_\_

FCC 601  
Schedule B

**(21) Closed Bidding Eligibility**

**Total Revenues for Most Recent Reportable Year**

☒ The Applicant and any predecessors-in-interest were not in existence for a full year of the relevant period.

Year End Date: \_\_\_\_\_ (Date Format: MM/DD/YYYY)

Gross Revenues: \$ \_\_\_\_\_ (Format: 99999.99)

**Total Revenues for One Year Prior to Most Recent Reportable Year**

☒ The Applicant and any predecessors-in-interest were not in existence for a full year of the relevant period.

Year End Date: \_\_\_\_\_ (Date Format: MM/DD/YYYY)

Gross Revenues: \$ \_\_\_\_\_ (Format: 99999.99)

**Total Assets Disclosure**

Total Assets as of Application Filing Deadline: \$ \_\_\_\_\_ (Format: 99999.99)

**(22) Designated Entity Eligibility**

**Total Average Gross Revenues**

Aggregate Average Gross Revenue: \$ \_\_\_\_\_

**Certifications** (By signing the Main Form, the applicant certifies that the statements listed are true, complete, correct and made in good faith)

**For Applicants Claiming Eligibility as an Entrepreneur Under the General Rule**

Applicant certifies that they are eligible to obtain the licenses for which they apply.

**For Applicants Claiming Eligibility as a Publicly Traded Corporation**

Applicant certifies that they are eligible to obtain the licenses for which they apply and that they comply with the definition of a Publicly Traded Corporation, as set out in the applicable FCC rules.

**For Applicants Claiming Eligibility using a Control Group Structure**

Applicant certifies that they are eligible to obtain the licenses for which they apply.

Applicant certifies that the applicant's sole control group member is a pre-existing entity, if applicable.

**For Applicants Claiming Eligibility as a Very Small Business, Very Small Business Consortium, Small Business, or as a Small Business Consortium**

Applicant certifies that they are eligible to obtain the licenses for which they apply.

Applicant certifies that the applicant's sole control group member is a pre-existing entity, if applicable.

**For Applicants Claiming Eligibility as a Rural Telephone Company**

Applicant certifies that they meet the definition of a Rural Telephone Company as set out in the applicable FCC rules, and must disclose all parties to agreement(s) to partition licenses won in this auction. See applicable FCC rules.

**For Applicants Claiming Tribal Lands Bidding Credit**

Applicant certifies that it will comply with the bidding credit buildout requirements and consult with the tribal government(s) regarding the siting of facilities and deployment of service on the tribal land(s) as set out in the applicable FCC rules.

**For Auction Applicants**

Applicant provided separate gross revenue information for itself, for each of Applicant's officers and directors; for each of Applicant's other controlling interests; for each of Applicant's affiliates; and for each affiliate of each of Applicant's officers, directors, and other controlling interests.

Applicant provided separate gross revenue and total asset information for itself, for each of Applicant's officers and directors; for each of Applicant's other controlling interest; for each of Applicant's affiliates; and for each affiliate of each of Applicant's officers, directors, and other controlling interests.

## Attachment(s):

Type	Description	Date Entered
O	<u>Exhibit D</u>	09/27/2000
O	<u>Exhibit D</u>	09/27/2000
N	<u>Exhibit A: FCC Form 602</u>	09/20/2000
O	<u>Exhibit D: PAI docs</u>	09/20/2000
O	<u>Exhibit D: Agreements &amp; Other Instruments</u>	09/20/2000
N	<u>Exhibit C: Designated Entities</u>	09/20/2000
N	<u>Exhibit A: Ownership</u>	09/20/2000

## EXHIBIT A

# OWNERSHIP INFORMATION

### Part 1: General Information

#### *APPLICANT'S FORM OF BUSINESS ORGANIZATION*

1. The Applicant herein is **Preferred Acquisitions, Inc.**, ("PAI"), a Puerto Rico corporation. PAI was incorporated in July 1999. PAI is wholly owned subsidiary of Preferred Communication Systems, Inc. ("PCSI"). PCSI is a Delaware corporation, formed in January 1998. Both of these companies share the same offices, which are located at 170-C North Palm Canyon Drive, Palm Springs, CA 92262-5504.

Also, see attached FCC Form 602, "FCC Ownership Disclosure Information for the Wireless Telecommunications Services."

### Part 2: Direct Ownership

#### *ALL PERSONS OR ENTITIES DIRECTLY HOLDING A 10% OR MORE INTEREST IN APPLICANT*

#### 1. Name & Address:

Preferred Communication Systems, Inc.  
170-C North Palm Canyon Drive  
Palm Springs, CA 92262-5504  
760-416-3035

#### 2. Principal Business and Relationship to Applicant:

PCSI was formed to (1) purchase wireless communications licenses either from their present holders or through auctions conducted by the Federal Communications Commission, and (2) construct and operate wireless communications systems.

PCSI is the parent company of the Applicant.

#### 3. Relationship to Other Interest Holder:

None

#### 4. Amount Held:

PCSI owns one hundred percent (100%) of Applicant's presently issued and outstanding shares of common stock. Applicant is not authorized to issue shares of preferred stock.

## EXHIBIT A

### 5. Type of Interest Held

PCSI owns 100,000 shares of Applicant's common stock.

### 6. Interests Held on Behalf of Others:

None

### Part 3: Indirect Ownership

*ALL PERSONS OR ENTITIES INDIRECTLY HOLDING A 10% OR MORE INTEREST IN APPLICANT*

The voting common stock of PCSI is currently held as follows:

#### 1. Name & Address:

Charles M. Austin  
471 South Calle Encila  
Palm Springs, CA 92262

#### 2. Principal Business and Relationship to Applicant:

Mr. Austin is the sole director, president and sole shareholder of the voting common stock of PCSI.

#### 3. Relationship to Other Interest Holder:

None.

#### 4. Amount Held:

Mr. Austin owns 800,000 shares of PCSI's common stock. These shares represent one hundred percent (100%) of the presently issued and outstanding shares of PCSI's common stock.<sup>1</sup>

#### 5. Type of Interest Held:

As noted above, Mr. Austin owns all of PCSI's presently issued and outstanding shares of common stock.

### Part 4: Other Disclosable Interests and Entities

<sup>1</sup> PCSI has agreed to issue additional shares that would dilute the ownership of Mr. Austin, conditioned upon receipt of prior FCC approval of the proposed change of control. PCSI expects to file such an application with PCSI's incumbent 800 MHz Specialized Mobile Radio licenses in the near future. However, as PCSI is contractually committed to seek such FCC approval, PCSI is advising the Commission now if this agreement, which predates the filing of the Form 175, was reported therein. If the transfer of control application is filed respecting PCSI's incumbent stations before this auction application is processed, Applicant will amend this application pursuant to Section 1.65 of the FCC's rules.

## **EXHIBIT A**

**Applicant/Licensee Information**

1) First Name (if individual):	MI:	Last Name:	Suffix:
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2) Applicant Name (if entity): PREFERRED ACQUISITIONS, INC.	3) Applicant TIN:
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**Related FCC Regulated Businesses of Applicant/Licensee**

4a) Name and address of all FCC Regulated Businesses owned by Applicant/Licensee (use additional sheets, if necessary):	4b) Principal Business:	4c) TIN:	4d) Percent of Interest Held:
NONE APPLICABLE			

**Signature**

5) Typed or Printed Name of Party Authorized to Sign

First Name: MICHELLE	MI: D	Last Name: BISHOP	Suffix:
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Title: DIRECTOR/SECRETARY
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Signature:	Date: September 18, 2000
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**Failure To Sign This Application May Result In Dismissal Of The Application And Forfeiture Of Any Fees Paid**

**WILLFUL FALSE STATEMENTS MADE ON THIS FORM OR ANY ATTACHMENTS ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. Code, Title 18, Section 1001) AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION PERMIT (U.S. Code, Title 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. Code, Title 47, Section 503)**



Schedule for Disclosable Interest Holders

Disclosable Interest Holder Information (complete as many as required to describe all disclosable interest holders)

1) Disclosable Interest Holder's First Name (if individual):	MI:	Last Name:	Suffix:
2) Disclosable Interest Holder's Name (if entity): <b>PREFERRED COMMUNICATION SYSTEMS, INC.</b>		3) Disclosable Interest Holder's TIN:	
4) Disclosable Interest Holder's Address: 170-c North Palm Canyon Drive, Palm Springs, CA 92262			
5) Type of Interest in Applicant ( D ) (refer to instructions for list)	6) Disclosable Interest Holder is a(n): ( C ) (refer to instructions for list of codes):	7) Percent of Interest Held in Applicant:  10 0%	
8) Disclosable Interest Holder's Type of Ownership (refer to instructions for list):  C (VOTING)		9) Disclosable Interest Holder's Country of Citizenship:  USA	
10) Relationship Description (If the disclosable interest holder is an indirect owner, list path of ownership from indirect owner to the applicant):  PARENT COMPANY			

Related FCC Regulated Businesses of Disclosable Interest Holders (repeat for each interest holder identified)

11a) Name and address of all FCC Regulated Businesses owned by Disclosable Interest Holder listed in #3 (use additional sheets, if necessary):	11b) Principal Business:	11c) TIN:	11d) Percent of Interest Held:
PREFERRED ACQUISITIONS, INC.	COMMUNICATIONS SYSTEMS DEVELOPMENT		100%

Schedule for Disclosable Interest Holders

**Disclosable Interest Holder Information** (complete as many as required to describe all disclosable interest holders)

2) Disclosable Interest Holder's First Name (if individual):  CHARLES	MI:  M	Last Name:  AUSTIN	Suffix:
4) Disclosable Interest Holder's Name (if entity):		5) Disclosable Interest Holder's TIN:	
4) Disclosable Interest Holder's Address:  471 SOUTH CALLE ENCILA, PALM SPRINGS, CA 92262			
5) Type of Interest in Applicant ( ) (refer to instructions for list)	6) Disclosable Interest Holder is a(n): ( ) (refer to instructions for list of codes):	8) Percent of Interest Held in Applicant:  10 0%	
8) Disclosable Interest Holder's Type of Ownership (refer to instructions for list):  C (VOTING)		9) Disclosable Interest Holder's Country of Citizenship:  USA	
10) Relationship Description (if the disclosable interest holder is an indirect owner, list path of ownership from indirect owner to the applicant):  SHAREHOLDER OF PREFERRED COMMUNICATION SYSTEMS, INC., THE PARENT COMPANY OF APPLICANT			

**Related FCC Regulated Businesses of Disclosable Interest Holders** (repeat for each interest holder identified)

11a) Name and address of all FCC Regulated Businesses owned by Disclosable Interest Holder listed in #3 (use additional sheets, if necessary):	11b) Principal Business:	11c) TIN:	11d) Percent of Interest Held:
PREFERRED COMMUNICATION SYSTEMS, INC.	COMMUNICATIONS SYSTEMS DEVELOPMENT		100%

## EXHIBIT C

### DESIGNATED ENTITIES INFORMATION

Applicant's Claimed Eligibility Status: *Very Small Business*

**1. Applicant's gross revenues:**

1997 gross revenues: \$0  
1998 gross revenues: \$0  
1999 gross revenues: \$0

Average gross revenues for the preceding three years: \$0

**2. Applicant's Affiliate gross revenues:**

N/A

**3. Applicant's Controlling Interest—Preferred Communication Systems, Inc. ("PCSI")**

1997 gross revenues: \$0  
1998 gross revenues: \$0  
1999 gross revenues: \$50,000

Average gross revenues for the preceding three years: \$16,667

Applicant's and PCSI's total average gross revenues for the preceding three years is \$16,667. Therefore, Applicant qualifies as a very small business.

Neither Applicant nor PCSI routinely obtain audited financial statements, however, Applicant and PCSI are in the process of obtaining such statements, which are projected to be available within approximately 60 - 90 days.

Charles M. Austin, director and president of both Applicant and PCSI, hereby certifies by his signature on FCC Main Form 601 that the gross revenue figures set forth in Applicant's FCC Form 175 and herein are true, full and accurate, and that neither Applicant nor PCSI have audited financial statements that are otherwise required by FCC rules.

## **EXHIBIT D**

### **AGREEMENTS & OTHER INSTRUMENTS**

Applicant has attached the following documents to establish that it qualifies as a very small business and designated entity under the FCC's rules for Auction No. 34 and therefore for a 35% bidding credit.

1. Preferred Acquisitions, Inc.'s Articles of Incorporation;
2. Preferred Acquisitions, Inc.'s By-laws;
3. Preferred Acquisitions, Inc.'s Promissory Note issued to ADS Partnership;
4. Preferred Acquisitions, Inc.'s Promissory Note issued to Mr. Chandu Patel;
5. Preferred Communication Systems, Inc.'s Amended Certificate of Incorporation;
6. Preferred Communication Systems, Inc.'s Certificate of Incorporation;
7. Preferred Communication Systems, Inc.'s By-laws;
8. Preferred Communication Systems, Inc.'s Pledge Agreement executed on behalf of ADS Partnership; and
9. Preferred Communication Systems, Inc.'s Guaranty of Preferred Acquisitions, Inc.'s loan from Mr. Chandu Patel.

**ARTICLES OF INCORPORATION  
OF  
PREFERRED ACQUISITIONS, INCORPORATED**

DEPT. OF REVENUE  
DIVISION OF TAXATION

99 JUL 23 PM 2:00

**FIRST:** *Name of the Corporation.* The name of the Corporation is Preferred Acquisitions, Incorporated (The "Corporation").

**SECOND:** *Designated Office and Resident Agent.* Its designated office and place of business in the Commonwealth of Puerto Rico is to be located at its physical and mailing addresses: Hato Rey Tower 1400, 268 Muñoz Rivera Avenue, San Juan, Puerto Rico 00918, and P.O. Box 70294, San Juan, Puerto Rico, 00936-8294. The resident agent in charge thereof is Axtmayer Ademar Muñoz & Goyco, P.S.C. and its physical and mailing addresses are Hato Rey Tower 1400, 268 Muñoz Rivera Avenue, San Juan, Puerto Rico 00918, and P.O. Box 70294, San Juan, Puerto Rico, 00936-8294.

**THIRD:** *Purpose.* The nature of the business and object and purpose proposed to be transacted, promoted, and carried on for pecuniary profit, is to acquire and aggregate wireless telecommunications licenses for development and any licit business for which a corporation can be organized under the law. Furthermore, should the corporation administer professional services, these will be rendered by licensed personnel hired and employed by the corporation.

**FOURTH:** *Capital Stock.* The total number of shares of capital stock which the Corporation shall have authority to issue is one hundred thousand (100,000) shares, initially all of one class called Common Stock, with a par value of \$10.00 (the "Common Stock").

The Board of Directors is authorized, subject to limitation prescribed by law, to provide for the denomination, faculties, preference and rights of the stock by corporate resolution.

**FIFTH:** *Incorporator.* The name of the Incorporator is Yolanda M. Cabassa and her postal address is P.O. Box 70294, San Juan, Puerto Rico 00936-8294, and her physical address is Hato Rey Tower, Suite 1400, 268 Muñoz Rivera Avenue, San Juan, Puerto Rico 00918.

**SIXTH:** *Election of Directors.* Unless and except to the extent that the by-laws of the Corporation shall so require, the election of Directors of the Corporation need not be by written ballot.

**SEVENTH:** *By-Laws.* The Incorporator or if he does not act in that regard, then the first Board of Directors, shall adopt By-Laws for the internal government and management of the Corporation, subject to the provisions and limitations of the Certificate of Incorporation. Thereafter, the power to make, alter or repeal By-Laws shall be vested in the Directors, subject to the statutory power of the stockholders to alter or repeal By-Laws so made.

**EIGHTH:**

*Indemnification.* Each Director and Officer of the Corporation shall be indemnified by the Corporation to the fullest extent permitted by the General Corporation Law of 1995 of Puerto Rico as the same exists or may hereafter be amended. Each Director and Officer of the Corporation shall not be liable to the Corporation or its security holders for monetary damages for breach of fiduciary duty as a Director, except to the extent such exemption from liability of limitation thereof is not permitted under the General Corporation Law of 1995 of Puerto Rico as the same exists or may hereafter be amended. Any amendment, modification, or repeal of the foregoing sentences shall not adversely affect any right or protection of a Director of the Corporation hereunder in respect to any act or omission occurring prior to the time of such amendment, modification, or repeal.

**NINTH:**

*Duration.* The existence of the Corporation is to be perpetual.

**TENTH:**

*Amendments.* The Corporation reserves the right to amend, alter, change or repeal any provision contained in the Certificate of Incorporation, in the manner now or hereafter prescribed by statute.

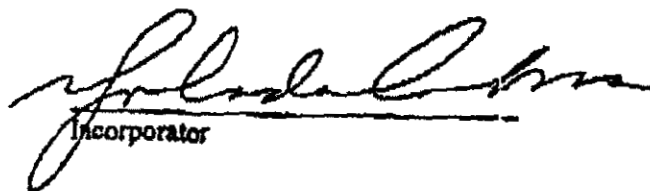
**ELEVENTH:**

*Initial Board of Directors.* Upon filing of this Certificate of Incorporation, the business and affairs of the Corporation shall be managed by its Board of Directors, and the powers of the Incorporator shall end. The Corporation shall have one (1) director initially. The number of directors may be increased or decreased by amendment to, or in the manner provided in, the bylaws of the Corporation.

The name and address of the initial director, who shall hold office until the first annual meeting of stockholders or until their successors shall have been elected and qualified, is:

Michelle D. Bishop  
170 CN Palm Canyon Drive  
Palm Springs, CA 92262

I, the undersigned, being the incorporator, hereinbefore named, for the purpose of forming a corporation pursuant to General Corporation Law of Puerto Rico of 1995, hereby swear that the facts herein stated are true, this July 23, 1999.

  
Incorporator

## PREFERRED ACQUISITIONS, INCORPORATED

### Consent of Sole Director

Pursuant to Articles 1.09 and 4.01 of the General Corporation Law of 1995, as amended, the undersigned, being the sole member of the Board of Directors (the "Board") of Preferred Acquisitions, Incorporated (the "Corporation"), a Puerto Rico corporation, does hereby consent to and approve the adoption of the following resolution and each and every action effected hereby:

"WHEREAS, the Corporation was incorporated on July 23, 1999 to acquire and aggregate wireless telecommunications licenses for development and any other licit business for which a corporation can be organized under Puerto Rico law;

WHEREAS, the Board deems it advisable and in the best interest of the Corporation to adopt the attached by-laws;

WHEREAS, the Board deems it advisable and in the best interest of the Corporation to nominate and hereby elects Charles M. Austin to serve as Director in the Corporation's Board;

NOW THEREFORE, BE IT RESOLVED, the attached by-laws are hereby adopted;

FURTHER RESOLVED, that Charles M. Austin is hereby named a director to this Board."

IN WITNESS WHEREOF, the undersigned sole member of the Board of Directors, has executed this CONSENT on the date indicated beside her signature.

By:

  
Michelle D. Bishop

Date: August 10, 1999

**PREFERRED ACQUISITIONS, INC.**  
**BY-LAWS**

**ARTICLE I- OFFICES**

The principal office of the Corporation shall be located in the City of San Juan, Puerto Rico.

The Corporation may also maintain offices at such other places as the Board of Directors may from time to time determine.

**ARTICLE II- MEETINGS OF STOCKHOLDERS**

**Section 1. - Annual Meetings:**

The annual meeting of the stockholders of the Corporation shall be held within ten (10) months after the close of the fiscal year of the Corporation, for the purpose of electing directors and transacting such other business as may properly come before the meeting.

**Section 2. - Special Meetings:**

Special meetings of the stockholders may be called at any time by the President, and shall be called by the President or the Secretary at the written request of a majority of the Board of Directors or at the request of the holders of not less than twenty percent (20%) of all the outstanding shares of the Corporation entitled to vote at the meeting.

**Section 3. - Place of Meetings:**

All meetings of stockholders shall be held at the principal office of the Corporation, or at such other places either within or outside the Commonwealth of Puerto Rico as the Board of Directors may select, and as shall be designated in the respective notices or waivers of notice of such meetings.

**Section 4. - Notice of Meetings:**

(a) Except as otherwise provided by statute, written notice of each meeting of stockholders, whether annual or special, stating the purpose for which the meeting is called, and the date and time when and place where it is to be held, shall be served either personally or by mail, not less than ten (10) nor more than forty (40) days before the meeting upon each stockholder of record entitled to vote at such meeting. If mailed, such notice shall be directed to each such stockholder at his address as it appears on the stock books of the Corporation, unless he shall have previously filed with the Secretary of the Corporation a written request that notices intended for him be mailed to some other address, in which case it shall be mailed to the address designated in such request.



(b) Notice of any meeting need not be given to any person who may become a stockholder of record after the mailing of such notice and prior to the meeting, or to any stockholder who attends such meeting in person or by proxy, or to any stockholder who, in person or by attorney thereunto authorized, waives notice of any meeting in writing either before or after such meeting. Notice of any adjourned meeting of stockholders need not be given, unless otherwise required by statute.

#### Section 5. - Quorum:

(a) Except as otherwise provided herein, or by statute, or in the Certificate of Incorporation (such Certificate and any amendments thereof being hereinafter collectively referred to as the Certificate of Incorporation, at all meetings of stockholders of the Corporation, the presence in person or by proxy of stockholders holding of record a majority of the total number of shares of the Corporation, then issued and outstanding and entitled to vote, shall be necessary and sufficient to constitute a quorum for the transaction of any business.

(b) In the absence of a quorum at any annual or special meeting of stockholders, the stockholders present in person or by proxy and entitled to vote there at or, if by proxy, any officer authorized to preside at or act as Secretary of such meeting, may adjourn the meeting from time to time for a period not exceeding twenty (20) days at such adjourned meeting at which a quorum is present. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called if a quorum had been present.

#### Section 6. - Voting:

(a) Except as otherwise provided herein, or by statute, or by the Certificate of Incorporation, the affirmative vote of those holdings of record in the aggregate at least a majority of the issued and outstanding shares of stock present in person or by proxy and entitled to vote at a meeting of stockholders with respect to a question or matter brought before such meeting shall be necessary and sufficient to decide such question or matter.

(b) Except as otherwise provided by statute, or by the Certificate of Incorporation, at each meeting of stockholders, each holder of record of stock of the Corporation entitled to vote thereat shall be entitled to one (1) vote for each share of stock held by him and registered in his name on the books of the Corporation.

(c) Each stockholder entitled to vote may vote by proxy, provided, however, that the instrument authorizing such proxy to act shall have been executed in writing by the stockholder himself, or by his attorney-in-fact thereunto duly authorized in writing. No proxy shall be valid after the expiration of twelve (12) months from the date of its execution, unless the person executing it shall have specified therein the length of time it is to continue in force. Such instrument shall be exhibited to the Secretary at the meeting and shall be filed with the records of the Corporation.

(d) Any resolution in writing, signed by all the stockholders entitled to vote thereon, shall be and constitute action by such stockholders to the effect therein

expressed, with the same force and effect as if the same had been duly passed by unanimous vote at a duly meeting of such stockholders, and it shall be the duty of the Secretary to place such resolution so signed in the Minute Book of the Corporation under its proper date.

### ARTICLE III - BOARD OF DIRECTORS

#### Section 1. - Number, Election and Term of Office:

- (a) The number of the directors of the Corporation shall at least be two (2).
- (b) The directors need not to be stockholders.
- (c) Except as herein or in the Certificate of Incorporation otherwise provided, the members of the Board of Directors of the Corporation, shall be elected by the vote of stockholders holding of record in the aggregate at least a plurality of the shares of stock of the Corporation present in person or by proxy and entitled to vote at the annual meeting of stockholders.
- (d) Each director shall hold office until the annual meeting of the stockholders next succeeding his election and until his successor is elected and qualified or until his prior death, resignation or removal.

#### Section 2. - Duties, Powers and Committees:

- (a) The Board of Directors shall be responsible for the control and management of the affairs, property and interests of the Corporation, and may exercise all powers of the Corporation except as herein provided, in the Certificate of Incorporation, or by statute expressly conferred upon or reserved to the stockholders.
- (b) The Board of Directors may act in Regular or Special meetings as hereinafter provided or by written consent of a majority of its members in lieu of a meeting
- (c) The Board of Directors may create and appoint committees of two (2) directors or more which may have and shall exercise those powers of the Board of Directors that the Board of Directors deems necessary for the management of the business and affairs of the corporation and to the extent allowed in the Certificate of Incorporation and the laws of Puerto Rico.

#### Section 3. - Annual and Regular Meetings - Notice:

- (a) A regular annual meeting of the Board of Directors shall be held immediately following the annual meeting of the stockholders at the place of such annual meeting of stockholders or other places designated for such purpose.

(b) The Board of Directors from time to time may provide by resolution for the holding of other regular meetings of the Board of Directors, and may fix the time and place thereof.

(c) Notice of any regular meeting of the Board of Directors shall not be required to be given; provided, however, that in case the Board of Directors shall fix or change the time or place of any regular meeting, notice of such action shall be mailed promptly to each director who shall not have been present at the meeting at which such action was taken, addressed to him at his residence or usual place of business, unless such notice shall be waived in the manner set forth in paragraph (c) of Section 4 of this Article III.

Section 4. - Special Meetings: Notice:

(a) Special meetings of the Board of Directors shall be held whenever called by the President, or by one of the directors, at such time and place as may be specified in the respective notices or waivers of notice thereof.

(b) Except as otherwise required by statute, notice of such special meetings shall be mailed directly to each director, addressed to him at his residence or usual place of business, at least two (2) days before the day on which the meeting is to be held, or shall be sent to him at such place by telegram, radio or cable, or shall be delivered to him personally not later than the day before the day on which the meeting is to be held.

(c) Notice of any special meeting shall not be required to be given to any director who shall attend such meeting in person or to any director who shall waive notice of such meeting in writing or by telegram, radio or cable, whether before or after the time of such meeting; and any such meeting shall be a legal meeting without any notice thereof having been given, if all the directors shall be present thereat. Notice of any adjourned meeting shall not be required to be given.

Section 5. - Telephonic Meetings Permitted:

Directors may participate in a meeting thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and the participation in a meeting pursuant to this by-law shall constitute presence in person at such meeting.

Section 6. - Chairman:

At all meetings of the Board of Directors, the President, or in his absence, a chairman chosen by the directors shall preside.

Section 7. - Quorum:

(a) At all meetings of the Board of Directors, the presence of at least two (2) directors shall be necessary and sufficient to constitute a quorum for the transaction

of business, except as otherwise provided by the law, Certificate of Incorporation or elsewhere by these By-Laws.

(b) A majority of the directors present at the time and place of any regular or special meeting, although less than a quorum, may adjourn the same from time to time without further notice, until a quorum shall be present.

Section 8. - Manner of Acting:

(a) At all meetings of the Board of Directors, each director present shall have one (1) vote, irrespective of the number of shares of stock, if any, which he may hold.

(b) Except as otherwise provided by statute, by the Certificate of Incorporation, or by these By-Laws, the action of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors.

Section 9. - Vacancies:

Any vacancy in the Board of Directors occurring by reason of an increase in the number of directors or by reason of the death, resignation, disqualification, removal or inability to act of any director, or otherwise, shall be filled for the remaining portion of the term by a majority vote of the remaining directors, though less than a quorum, at any regular meeting or special meeting of the Board of Directors called for that purpose.

Section 10. - Resignation:

Any director may resign at any time by giving written notice to the Board of Directors, the President or the Secretary of the Corporation. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by the Board of Directors or such officer, and the acceptance of such resignation shall not be necessary to make it effective.

Section 11. - Removal:

Any director may be removed with or without cause at any time by the affirmative vote of stockholders holding of record in the aggregate at least a majority of the outstanding shares of stock of the Corporation, given at a special meeting of the stockholders called for that purpose.

Section 12. - Compensation:

No stated compensation shall be paid to directors, as such, for their services, but by resolution of the Board of Directors a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board; provided, however, that nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 13. - Contracts:

(a) No contract or other transaction between this Corporation and any other corporation shall be impaired, affected or invalidated, nor shall any director be liable in any way by reason of the fact that any one or more of the directors of this Corporation is or are interested in, or is a director or officer, or are directors or officers of such other corporation, provided that such facts are disclosed or made known to the Board of Directors.

(b) Any director, personally and individually, may be a party to or may be interested in any contract or transaction of this Corporation, and no director shall be liable in any way by reason of such interest, provided that the fact of such interest be disclosed or made known to the Board of Directors, and provided that the Board of Directors shall authorize, approve or ratify such contract or transaction by the vote (not counting the vote of any such director) of a majority of a quorum, notwithstanding the presence of any such director at the meeting at which such action is taken. Such director or directors may be counted in determining the presence of a quorum at such meeting. This Section shall not be construed to impair or invalidate or in any way affect any contract or other transaction which would otherwise be valid under the law (common, statutory or otherwise) applicable thereto.

Section 14. - Executive Committee:

The Executive Committee shall consist of two (2) members of the Board of Directors appointed by a majority of the whole board of directors of the Corporation to hold office during the tenure of the Directors. Its function shall be to exercise all the functions and powers of the Board of Directors between the meetings of the Board of Directors.

ARTICLE IV - OFFICERS

Section 1. - Number, Qualifications, Election and Term of Office:

(a) The officers of the Corporation shall consist of a President, one or more Vice-Presidents, a Secretary, a Treasurer and such number of Assistant Secretaries and Assistant Treasurers as the Board of Directors may from time to time deem advisable. The President shall be and remain a director of the Corporation during the term of his office. Any other officer may, but is not required to be, a director of the Corporation. Any two (2) or more offices, except the offices of President and Secretary may be held by the same person.

(b) The Officers of the Corporation shall be elected by the Board of Directors at the regular annual meeting of the Board following the annual meeting of stockholders.

(c) Each officer shall hold office until the annual meeting of the Board of Directors next succeeding his election and until his successor shall have been elected and qualified, or until his death, resignation or removal.

Section 2. - Resignation:

Any officer may resign at any time by giving written notice of such resignation to the Board of Directors or to the President or the Secretary of the Corporation. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by the Board of Directors or by such officer, and the acceptance of such resignation shall not be necessary to make it effective.

Section 3. - Removal:

(a) Any officer specifically designated in Section 1 of this Article IV may be removed, either with or without cause, and a successor elected, by a majority vote of the Board of Directors, regularly convened at a regular or special meeting.

(b) The officers and agents appointed in accordance with the provisions of Section 11 of this Article IV may be removed, either with or without cause, by a majority vote of the Board of Directors, regularly convened at a regular or special meeting or by any superior officer or agent upon whom such power of removal shall have been conferred by the Board of Directors.

Section 4. - Vacancies:

(a) A vacancy in any office specifically designated in Section 1 of this Article IV, by reason of death, resignation, inability to act, disqualification, removal, or any other cause, shall be filled for the remaining portion of the term by a majority vote of the Board of Directors regularly convened at any regular or special meeting.

(b) In the case of a vacancy occurring in the office of an officer or agent appointed in accordance with the provisions of Section 11 of this Article IV, such vacancy may be filled by vote of the Board of Directors or by any officer or agent upon whom such power shall have been conferred by the Board of Directors.

Section 5. - President:

The President shall be the chief executive officer of the Corporation and, subject to the direction of the Board of Directors, shall have general charge of the business, affairs and property of the Corporation and general supervision over its officers and agents. He shall, if present, preside at all meetings of the Board of Directors and at all meetings of stockholders. He may sign, with the Secretary or any other person or officer of the Corporation thereunto authorized by the Board of Directors, certificates for shares of the Corporation, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these by-laws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed. In general, he shall perform all duties incident to the office of President, and shall see that all orders and resolutions of the Board of Directors are carried into effect.

Section 6. - Vice-Presidents:

During the absence or disability of the President, the Vice-President or, if there be more than one, the Vice-President designated by the Board of Directors as Executive Vice-President, shall exercise all the functions of the President and, when so acting, shall have all the powers of and be subject to all restrictions upon the President. Each Vice-President shall have such powers and discharge such duties as may be assigned to him from time to time by the Board of Directors.

Section 7. - Secretary:

The Secretary shall:

(a) Record all the proceedings of the meetings of the stockholders and Board of Directors in a book to be kept for that purpose;

(b) Cause all notices to be duly given in accordance with the provisions of these By-Laws and as required by statute;

(c) Be custodian of the records and of the seal of the Corporation, and cause such seal to be affixed to all certificates representing stock of the Corporation prior to their issuance, and to all instruments, the execution of which on behalf of the Corporation under its seal shall have been duly authorized in accordance with these By-Laws;

(d) If called upon to do so, prepare or cause to be prepared, and submit at each meeting of the stockholders, a certified list in alphabetical order of the names of the stockholders entitled to vote at such meeting, together with the number of shares of the respective class of stock held by each;

(e) See that the books, reports, statements, certificates and all other documents and records of the Corporation required by statute are properly kept and filed;

(f) In general, perform all duties incident to the office of Secretary and such other duties as are given to him by these By-Laws, or as from time to time may be assigned to him by the Board of Directors or the President.

Section 8. - Assistant Secretaries:

Whenever requested by or in the absence or disability of the Secretary, the Assistant Secretary designated by the Secretary (or in the absence of such designation, the Assistant Secretary designated by the Board of Directors) shall perform all the duties of the Secretary, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the Secretary.

Section 9. - Treasurer:

### The Treasurer shall:

- (a) Have charge of and supervision over and be responsible for the funds, securities, receipts and disbursements of the Corporation;
- (b) Cause the moneys and other valuable effects of the Corporation to be deposited in the name and to the credit of the Corporation in such banks or trust companies as the Board of Directors may select; or as may be selected by any officer or officers or agent or agents authorized so to do by the Board of Directors;
- (c) Cause the funds of the Corporation to be disbursed by checks or drafts, with such signatures as may be authorized by the Board of Directors, upon the authorized depositories of the Corporation, and cause to be taken and preserved proper vouchers for all moneys disbursed;
- (d) Render to the President or the Board of Directors whenever requested, a statement of the financial condition of the Corporation and of all his transactions as Treasurer; and render a full financial report at the annual meeting of the stockholders if called upon to do so;
- (e) Keep the books of account of all the business and transactions of the Corporation;
- (f) Be empowered to require from all officers or agents of the Corporation reports or statements giving such information as he may desire with respect to any and all financial transactions of the Corporation; and
- (g) In general, perform all duties incident to the office of Treasurer and such other duties as are given to him by these By-Laws or as from time to time may be assigned to him by the Board of Directors or the President.

#### Section 10. - Assistant Treasurers:

Whenever requested by or in the absence or disability of the Treasurer, the Assistant Treasurer designated by the Treasurer (or in the absence of such designation, the Assistant Treasurer designated by the Board of Directors) shall perform all the duties of the Treasurer, and when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Treasurer.

#### Section 11. - Subordinate Officers and Agents:

The Board of Directors may from time to time appoint such other officers and agents as it may deem necessary or advisable, to hold office for such period, have such authority and perform such duties as the Board of Directors may from time to time determine. The Board of Directors may delegate to any officer or agent the power to appoint any such subordinate officers or agents, and to prescribe their respective terms of office, authorities and duties.



Section 12. - Salaries:

The salaries or other compensation of the officers shall be fixed from time to time by the Board of Directors, and no officer shall be prevented from receiving such salary or any compensation by reason of the fact that he is also a director of the Corporation. The Board of Directors may delegate to any officer or agent the power to fix from time to time the salaries or other compensation of officers or agents appointed in accordance with the provisions of Section 11 of this Article IV.

Section 13. - Sureties and Bonds:

In case the Board of Directors shall so require, any officer or agent of the Corporation shall execute to the Corporation a bond in such sum and with such surety or sureties as the Board of Directors may direct, conditioned upon the faithful performance of his duties to the Corporation, including responsibility for negligence and for the accounting for all property, funds or securities of the Corporation which may come into his hands.

ARTICLE V - CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1 - Contracts:

The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 2 - Loans:

No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3 - Checks, Drafts, Etc.:

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4 - Deposits:

All funds of the Corporation not otherwise employed, shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE VI - SHARES OF STOCK